

§ 1744.67

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statements. At the time of such authorization a certified copy of the resolution and one copy of RUS Form 675, Certificate of Authority, shall be submitted to RUS.

(h) The documentation required for the FRS transactions are the deposit slips, the canceled construction fund checks and the supporting invoices or reimbursement schedules. These shall be kept in the borrower's files for periodic audits by RUS.

[54 FR 12186, Mar. 24, 1989. Redesignated at 55 FR 39396, Sept. 27, 1990, as amended at 56 FR 26600, June 10, 1991]

§ 1744.67 Temporary excess construction funds.

(a) When unanticipated events delay the borrower's disbursement of advanced funds, the funds may be used as follows:

(1) With RUS loan funds for loans approved prior to November 1, 1993, or hardship loan funds, the borrower may invest the funds in 5 percent Treasury Certificates of Indebtedness—RUS Series.

(2) With RUS cost-of-money, FFB or RTB loan funds, the following apply:

(i) The borrower may invest the funds in short term securities issued by the United States Treasury.

(ii) If permitted by state law, the borrower may deposit the funds in savings accounts, including certificates of deposit, of federally insured savings institutions.

(3) Funds advanced by a guaranteed lender other than the FFB may, if so permitted by such lender, be invested under the terms and conditions described above for FFB advances.

(4) Any security or investment made under this authorization shall identify the borrower by its corporate name followed by the words "Trustee, Rural Utilities Service."

(5) All temporary investments and all income derived from them shall be considered part of the construction fund and be subject to the same controls as cash in that account.

(6) Securities and other investments shall have maturity dates or liquidating provisions that ensure the availability of funds as required for the completion of projects and the payment of obligations.

(7) Any instrument evidencing a security or other investment herein authorized to be purchased or made, may not be sold, discounted, or pledged as collateral for a loan or as security for the performance of an obligation or for any other purpose.

(8) The Administrator may, at his sole discretion, require a borrower to pledge any security or other evidence of investment authorized hereby by forwarding to him all pertinent instruments and related documentation as he may reasonably require.

(9) Borrowers shall be responsible for the safekeeping of securities and other investments.

(b) All interest and income received from investments of temporary excess funds, as described in this section, shall be deposited in the Construction Fund.

(c) The borrower shall account for investment proceeds on the next FRS submitted to RUS. RUS will make the necessary adjustments on budgetary records.

(d) The Administrator reserves the right to suspend any borrower's authorization to invest temporary excess funds contained herein if the borrower does not comply with the requirements.

(e) For RUS loans approved prior to October 1, 1991, the borrower may return advanced funds to RUS as a refund of an advance. Interest stops accruing on the refunded advance upon receipt by RUS. A refunded advance may be re-advanced. A refund of an advance shall be sent to the Rural Utilities Service, United States Department of Agriculture, Collections and Custodial Section, Washington, DC, 20250. The borrower should clearly indicate that this is a refund of an advance, and not a loan payment or prepayment.

[54 FR 12186, Mar. 24, 1989. Redesignated at 55 FR 39395, Sept. 27, 1990, and amended at 58 FR 66257, Dec. 20, 1993]

§ 1744.68 Order and method of advances of telephone loan funds.

(a) Borrowers may specify the sequence of advances of funds under any combination of approved telephone loans from RUS, RTB, or FFB, except that for all loans approved on or after